

Eleventh meeting of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, Bonn, Germany, 10–12 March 2020

Reference document for item 5c(ii)

Engagement and dialogue with the Standing Committee on Finance*About this document*

This document provides information on the mandate for the Executive Committee to further engage and strengthen its dialogue with the Standing Committee on Finance (SCF) by providing input to the SCF when it provides information, recommendations and draft guidance relating to the operating entities of the financial mechanism under the Convention and the Paris Agreement, and offers key considerations for an approach to respond to this mandate.

The Excom will be invited to agree on scope, timeframe and process for engagement with the SCF.

I. Mandate

1. As part of the outcomes of the second review of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM) in 2019, Parties requested the Executive Committee to further engage and strengthen its dialogue with the Standing Committee on Finance (SCF) by providing input in line with decision 2/CP.19, paragraph 5(c)(ii) (see Box 1), to the SCF when, in accordance with its mandate, it provides information, recommendations and draft guidance relating to the operating entities of the financial mechanisms under the Convention and the Paris Agreement, as appropriate.¹

Box 1: Decision 2/CP.19, paragraph 5(c)

5. The COP, at its nineteenth session, decided “that the the Warsaw international mechanism shall fulfil the role under the Convention of promoting the implementation of approaches to address loss and damage associated with the adverse effects of climate change, pursuant to decision 3/CP.18, in a comprehensive, integrated and coherent manner by...

(c)Enhancing action and support, including finance, technology and capacity building, to address loss and damage associated with the adverse effects of climate change, so as to enable countries to undertake actions pursuant to decision 3/CP.18, paragraph 6, including by:

- i. Providing technical support and guidance on approaches to address loss and damage associated with climate change impacts, including extreme events and slow onset events;
- ii. Providing information and recommendations for consideration by the COP when providing guidance relevant to reducing the risks of loss and damage and, where necessary, addressing loss and damage, including to the operating entities of the financial mechanism of the Convention, as appropriate;
- iii. Facilitating the mobilization and securing of expertise, and enhancement of support, including finance, technology and capacity-building, to strengthen existing approaches and, where necessary, facilitate the development and implementation of additional approaches to address loss and damage associated with climate change impacts, including extreme weather events and slow onset events;”

¹ Decision 2/CMA.2, para. 37

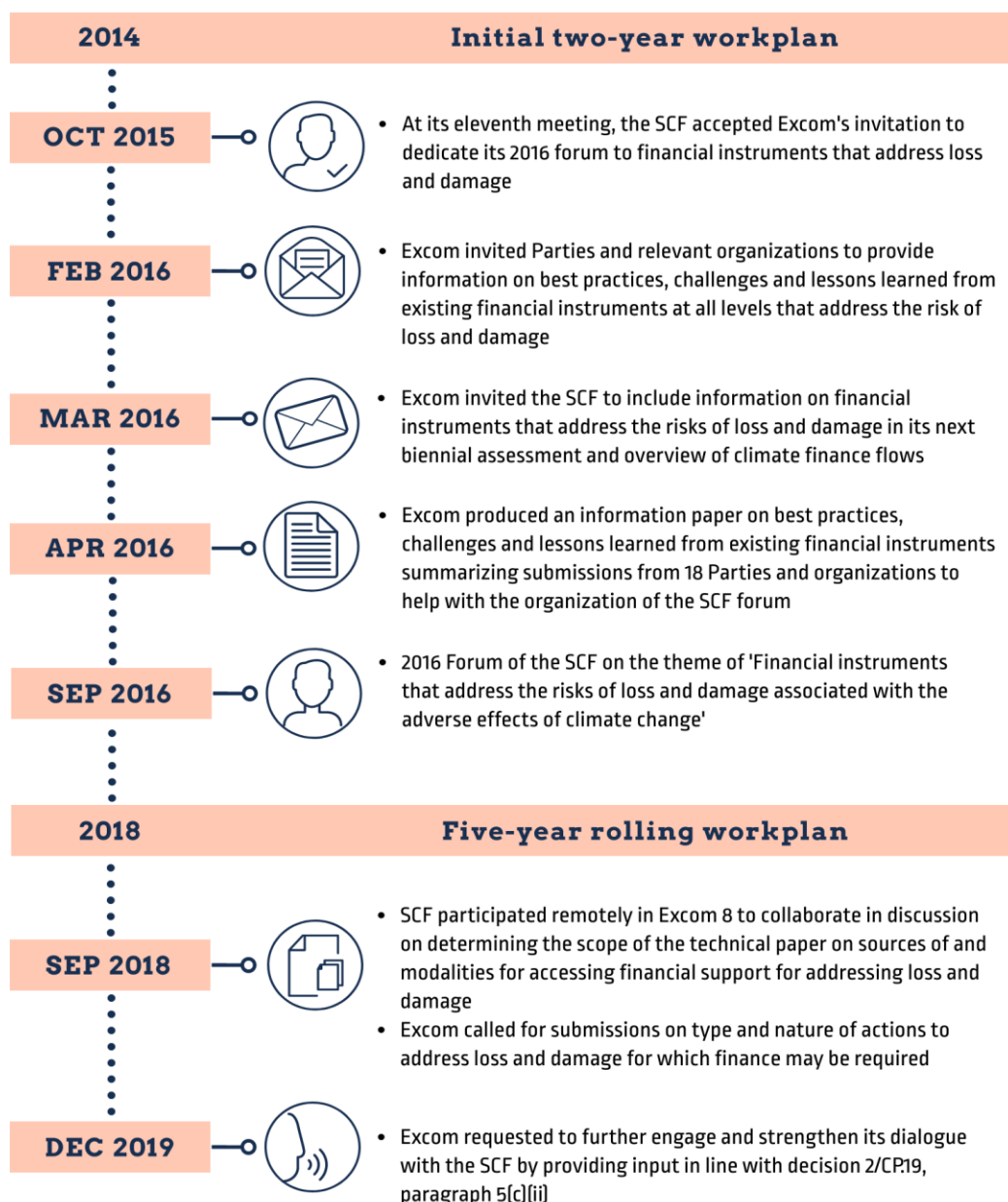
II. Overview of Excom's engagement with the SCF to date

2. This section provides the information on the interaction between the Excom and SCF undertaken to date in the context of the initial two-year workplan and the current five-year rolling workplan of the Excom (see Figure). The Excom has engaged with the SCF through exchange of information, provision of inputs to each other's work electronically, through submission² and via joint consideration of a specific matter

3. The Excom and SCF also have designated members who serve as liaisons to facilitate interaction between the two committees.

Figure

Summary of Excom's interaction with the SCF



² The SCF submitted its input in response to a call for submission by Excom on the sources of financial support that Parties and relevant organizations are providing for planning and implementation of integrated approaches to avert, minimize and address displacement related to the adverse impacts of climate changes. Available at https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201904111650---SCF%20Input%20to%20ExCom%20Tech%20Paper_.pdf

III. Background information on the Standing Committee on Finance

4. Established by the Cancun Agreements at COP 16 (2010), the SCF aims to improve coherence and coordination in the delivery of climate change financing, rationalization of the Financial Mechanism, mobilization of financial resources and measurement, reporting and verification (MRV) of support provided to developing country Parties.³ The SCF meets at least twice a year, or more if necessary.⁴

5. The SCF assists the COP in exercising its functions with respect to the Financial Mechanism of the Convention through activities, such as:⁵

(a) Organizing a forum for communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence;

(b) Maintaining linkages with the Subsidiary Body for Implementation (SBI) and thematic bodies of the Convention;

(c) Providing to the COP draft guidance for the operating entities of the Financial Mechanism of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities as well as submissions from Parties;

(d) Making recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities of the Financial Mechanism;

(e) Providing expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the Financial Mechanism by the COP;

(f) Preparing a biennial assessment (BA), overview of climate finance flows, to include information on the geographical and thematic balance of such flows;

(g) Additionally, the SCF will perform any other functions that may be assigned to it by the COP.

6. The SCF has collaborated with other relevant constituted bodies such as the Adaptation Committee (AC) and the Least Developed Countries Expert Group through the development of methodologies and making recommendations on mobilization of support for adaptation in developing countries and review the adequacy and effectiveness of adaptation and support.⁶

7. The SCF engages with the AC through regular meetings of co-chairs during the sessions of the COP and the SBs, as well as through inputs to documents. For example, the AC provides input every year to the SCF for the preparation of the draft decisions on guidance to the operating entities of the Financial Mechanism.

8. Such inputs are considered at AC meetings and communicated to the SCF after the meetings. The AC further communicates international adaptation finance needs through the Adaptation Finance Bulletin⁷ in collaboration with the SCF and others.

³ Decision 1/CP.16, para. 112.

⁴ Annex VI. FCCC/CP/2011/9/Add.1, para. 7.

⁵ Decision 2/CP.17, para. 121.

⁶ FCCC/CP/2015/10/Add.1, para 45.

⁷ Available at <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/adaptation-committee-ac/publications-bulletin/adaptation-finance-bulletin-by-the-adaptation-committee>

IV. Approaches for engagement and dialogue with the SCF

9. In terms of the Excom's further engagement with the SCF, paragraph 37 of 2/CMA.2 defines the scope of issues to engage in and strengthen dialogue with the SCF. Such '*engagement and strengthening dialogue*' is further described as providing input to the SCF when it provides to the COP information, recommendations and draft guidance relating to the operating entities of the financial mechanisms under the Convention and the Paris Agreement, as appropriate.

10. In providing such inputs, the Excom could draw and build on its 2019 technical paper on sources of finance for loss and damage.⁸

11. The current five-year rolling workplan, strategic workstream (e) includes the following two activities which concern the SCF, which could be revised to align with the mandate provided at COP 25:

Activity 1 (b) Invite the SCF to continue its collaboration and engagement with the Executive Committee, including through consideration of how to include financial instruments that address the risks of loss and damage in its work related to the biennial assessment and overview of climate finance flows.

Activity 1 (c) Invite, in collaboration with the SCF, relevant actors to consider how to facilitate or enhance, as appropriate, the availability of finance relevant to loss and damage at the regional and national levels.

12. The Excom may wish to consider:

(a) What information the Excom should provide to the SCF when, in accordance with its mandate, it provides information, recommendations and draft guidance relating to the operating entities of the Financial Mechanism under the Convention and the Paris Agreement, relevant to reducing the risks of loss and damage and, where necessary, addressing loss and damage;

(b) Process and timeframe for the Excom to engage with the SCF for providing technical support and guidance on approaches to address loss and damage associated with climate change impacts, including extreme events and slow onset events; and

(c) Modalities of engagement, including inviting the SCF to take part in the expert group(s) of the Excom.

⁸ FCCC/TP/2019/1.